

**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD**  
*(Department of Economics)*

**WARNING**

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM AWARD OF DEGREE/CERTIFICATE, IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".**

**Course: Monetary Theory and Policy (811)**  
**Level: M. Sc Economics**

**Semester: Autumn, 2013**  
**Total Marks: 100**  
**Pass Marks: 40**

**ASSIGNMENT No. 1**  
**(Units 1–4)**

- Q. 1 Why in your view money is needed in the society? (20)
- Q. 2 Discuss in detail the Tobin's risk-return theory of demand for money. (20)
- Q. 3 Explain in details classical theory of rate of interest. (20)
- Q. 4 Discuss in detail the Hicks theory of rate on interest. (20)
- Q. 5 What is money? Discuss in detail the concept of classical economists about money.(20)

**ASSIGNMENT No. 2**  
**(Units 5–9)**

**Total Marks: 100**

**Pass Marks: 40**

- Q. 1 Discuss in detail the role of money in Keynesian system. (20)
- Q. 2 Elaborate the main features of neo-classical synthesis presented by Patinkin. (20)
- Q. 3 Discuss in details he classical quantity theory of money. (20)
- Q. 4 Differentiate Freidman's theory of demand for money from Keynes. (20)
- Q. 5 Differentiate between fix and flexible exchange rate regimes. (20)